



DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9909]

RIN 1545-BP35

Limitation on Deduction for Dividends Received from Certain Foreign Corporations and Amounts Eligible for Section 954 Look-Through Exception; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations; correction.

SUMMARY: This document contains corrections to the final regulations (Treasury Decision 9909) that were published in the **Federal Register** on Thursday, August 27, 2020. Treasury Decision 9909 contained final regulations under sections 245A and 954 of the Internal Revenue Code (the “Code”) that limit the deduction for certain dividends received by United States persons from foreign corporations under section 245A and the exception to subpart F income under section 954(c)(6) for certain dividends received by controlled foreign corporations.

DATES: These corrections are effective on **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

FOR FURTHER INFORMATION CONTACT: Arielle M. Borsos or Logan M. Kincheloe at (202) 317–6937 (not a toll-free number).

## SUPPLEMENTARY INFORMATION:

### **Background**

The final regulations (TD 9909) that are the subject of this correction are issued under sections 245A, 954(c)(6), and 6038 of the Internal Revenue Code.

### **Need for Correction**

As published on August 27, 2020 (85 FR 53068) the final regulations (TD 9909) contain errors that need to be corrected.

### **Correction of Publication**

Accordingly, the final regulations (TD 9909) that are the subject of FR Doc. 2020-18543, appearing on page 53068 in the Federal Register of August 27, 2020, are corrected as follows:

1. On page 53075, third column, removing the second and third sentence of the last full paragraph.
2. On page 53076, first column, the seventh line from the bottom of the first full paragraph, after the sentence ending “See proposed § 1.245A-5(e)(3)(i)(C).”, adding the language “Because the determination as to whether there would be an extraordinary reduction amount or tiered extraordinary reduction amount greater than zero is made without regard to an election to close the taxable year, this determination is made without taking into account any elections that may be available, or other events that may occur, solely by reason of an election to close the taxable year, such as the application of section 954(b)(4) to a short taxable year created as a result of the election.”
3. On page 53076, first column, the sixth and seventh lines from the bottom of the first full paragraph, the language “Because the election can only” is

- corrected to read “Furthermore, because the election to close the taxable year can only”.
4. On page 53077, the second column, the sixth line from the bottom of the first full paragraph, the language “under sections 7805(b)(2)” is corrected to read “under section 7805(b)(2)”.
  5. On page 53078, the first column, the seventh line of the second full paragraph, the language “Earning subject” is corrected to read “Earnings subject”.
  6. On page 53082, the third column, the last line of the bottom partial paragraph, “gap period” is corrected to read “disqualified period”.

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